

A B I L L

To amend section 2306 of title 10, United States Code, to authorize certain contracts for supplies and services to extend beyond one year.

1 Be it enacted by the Senate and House of Representatives
2 of the United States of America in Congress assembled, That
3 section 2306 of title 10, United States Code, is amended by
4 adding the following new subsection after subsection (f):

5 "(g) The head of an agency may enter into contracts
6 for periods of not more than five years for supplies or
7 services for which funds would otherwise be available
8 for obligation only within the fiscal year for which
9 appropriated, whenever he finds that--

10 "(1) there will be a continuing requirement
11 for the supplies or services consonant with current
12 plans for the proposed contract period;

13 "(2) the furnishing of such supplies or services
14 will require a substantial initial investment in
15 plant or equipment, or the incurrence of substantial
16 contingent liabilities for the assembly, training,
17 or transportation of a specialized work force; and

18 "(3) the use of such a contract will promote
19 the best interests of the United States by encour-
20 aging effective competition and promoting economies
21 in operation."

Enclosure 1